



JUL 27 2005

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol
Sacramento, California 95814

Dear Governor Schwarzenegger:

It is with pleasure that I respond to the State of California's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted two requests for waivers. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Extension of a waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that a waiver extension would allow continued flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Accordingly, the state is granted an extension of the waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

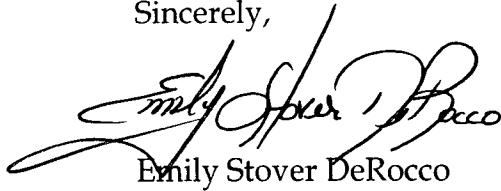
Requested Waiver 2: Extension of a waiver of the time limit on the period of initial eligibility at 20 CFR 663.530.

The state indicates that an extension of the waiver for training providers is requested to address the continuing difficulties in the collection of "all student" information from training providers. Without an extension, the state indicates that many training providers are likely to opt out of the Eligible Training Provider system, thus limiting customer choice. Accordingly, the State of California is granted an extension of the waiver through June 30, 2007.

As provided for under paragraph 3 of the executed Agreement, the granted waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", with a large, stylized flourish at the end.

Emily Stover DeRocco

Enclosure